

**UTAH PARENT CENTER, INC.**

**FINANCIAL STATEMENTS**

**JULY 31, 2009 and 2008**



**UTAH PARENT CENTER, INC.**

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# ► Lake, Hill & Myers

A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

6695 South 1300 East  
Salt Lake City, Utah 84121  
Voice: (801) 947-7500 Fax: (801) 947-7609

## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

November 13, 2009

To the Board of Directors of  
Utah Parent Center, Inc.

We have audited the accompanying statement of financial position of Utah Parent Center, Inc. (a nonprofit organization) as of July 31, 2009 and 2008, and the related statements of activities and change in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Utah Parent Center, Inc. as of July 31, 2009 and 2008, and the change in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 13, 2009 on our consideration of Utah Parent Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Utah Parent Center, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards on pages 14-16 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

*Lake, Hill & Myers*



UTAH PARENT CENTER, INC.  
STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	<u>July 31,</u>	
	<u>2009</u>	<u>2008</u>
Current assets:		
Cash and cash equivalents	\$169,143	\$155,857
Investments	2,529	3,477
Grants and contracts receivable	46,663	30,799
Prepaid expenses	<u>-</u>	<u>910</u>
Total current assets	<u>218,335</u>	<u>191,043</u>
Endowment funds	181,995	207,643
Furniture and equipment, net	13,701	13,971
Other assets	<u>1,300</u>	<u>1,000</u>
	<u>\$415,331</u>	<u>\$413,657</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 12,957	\$ 4,262
Accrued expenses	30,748	28,791
Deferred revenue	<u>14,690</u>	<u>14,690</u>
Total current liabilities	<u>58,395</u>	<u>47,743</u>
Net assets:		
Unrestricted	167,120	152,447
Temporarily restricted	9,461	35,112
Permanently restricted	<u>180,355</u>	<u>178,355</u>
	<u>356,936</u>	<u>365,914</u>
	<u>\$415,331</u>	<u>\$413,657</u>

See notes to financial statements.



UTAH PARENT CENTER, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

	<u>Year ended July 31,</u>	
	<u>2009</u>	<u>2008</u>
Unrestricted net assets:		
Private donations and contributions	\$ 46,121	\$ 46,212
Grants and contracts	766,510	661,533
Other	8,668	10,547
Unrealized gain (loss) on investments	(948)	675
Restrictions satisfied	<u>-</u>	<u>1,605</u>
Total unrestricted support and revenue	<u>820,351</u>	<u>720,572</u>
Expenses:		
Program services	739,617	612,740
Supporting services:		
Management and general	61,443	63,609
Fundraising	<u>4,618</u>	<u>10,704</u>
Total expenses	<u>805,678</u>	<u>687,053</u>
Change in unrestricted net assets	<u>14,673</u>	<u>33,519</u>
Temporarily restricted net assets:		
Private donations and contributions	1,997	5,824
Interest, dividends, and realized gains	4,565	21,688
Unrealized gain (loss) on investments	(32,213)	(47,680)
Restrictions satisfied	<u>-</u>	<u>(1,605)</u>
Increase (decrease) in temporarily restricted net assets	<u>(25,651)</u>	<u>(21,773)</u>
Permanently restricted net assets:		
Contributions	<u>2,000</u>	<u>3,500</u>
Increase in permanently restricted net assets	<u>2,000</u>	<u>3,500</u>
Change in net assets	(8,978)	15,246
Net assets, beginning of year	<u>365,914</u>	<u>350,668</u>
Net assets, end of year	<u>\$356,936</u>	<u>\$365,914</u>

See notes to financial statements.

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UTAH PARENT CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JULY 31, 2009

	<u>Program services</u>	<u>Management and general</u>	<u>Fund- raising</u>	<u>Total</u>
Salaries and benefits	\$485,534	\$45,706	\$3,853	\$535,093
Other expenses:				
Rent	39,418	3,711	50	43,179
Parent conferences and volunteer support	38,710	-	-	38,710
Printing and duplicating	32,546	3,064	150	35,760
Travel	26,207	-	-	26,207
Other expenses	27,239	2,564	216	30,019
Office supplies	18,505	1,742	15	20,262
Consultants and professional fees	23,676	2,229	188	26,093
Multimedia	22,000	-	-	22,000
Telephone	8,807	829	70	9,706
Postage and delivery	6,240	587	25	6,852
Depreciation	6,465	609	51	7,125
Resource materials	1,422	134	-	1,556
Staff development	<u>2,848</u>	<u>268</u>	<u>-</u>	<u>3,116</u>
Total expenses	<u>\$739,617</u>	<u>\$61,443</u>	<u>\$4,618</u>	<u>\$805,678</u>

See notes to financial statements.



UTAH PARENT CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JULY 31, 2008

	<u>Program services</u>	<u>Management and general</u>	<u>Fund- raising</u>	<u>Total</u>
Salaries and benefits	\$421,965	\$42,835	\$ 7,787	\$472,587
Other expenses:				
Rent	35,733	3,627	275	39,635
Parent conferences and volunteer support	35,781	-	-	35,781
Printing and duplicating	27,793	2,821	150	30,764
Travel	19,040	-	-	19,040
Other expenses	20,631	2,094	381	23,106
Office supplies	17,072	1,733	125	18,930
Consultants and professional fees	15,511	8,548	403	24,462
Telephone	9,040	918	167	10,125
Postage and delivery	3,132	318	25	3,475
Depreciation	4,622	469	85	5,176
Resource materials	1,035	105	-	1,140
Advertising	-	-	1,306	1,306
Staff development	<u>1,385</u>	<u>141</u>	<u>-</u>	<u>1,526</u>
Total expenses	<u>\$612,740</u>	<u>\$63,609</u>	<u>\$10,704</u>	<u>\$687,053</u>

See notes to financial statements.

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UTAH PARENT CENTER, INC.

STATEMENT OF CASH FLOWS

	<u>Year ended July 31,</u>	
	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Cash received from contributors, grantors and others	\$ 773,518	\$ 725,901
Interest received	4,525	21,688
Cash paid to vendors and employees	<u>(753,337)</u>	<u>(648,334)</u>
Net cash provided by operating activities	<u>24,706</u>	<u>99,255</u>
Cash flows from investing activities:		
Purchase of equipment	(6,855)	-
Increase in endowment funds	<u>(6,565)</u>	<u>(21,689)</u>
Net cash used in investing activities	<u>(13,420)</u>	<u>(21,689)</u>
Cash flows from financing activities:		
Endowment funds received	<u>2,000</u>	<u>3,500</u>
Net cash provided by financing activities	<u>2,000</u>	<u>3,500</u>
Net increase in cash	13,286	81,066
Cash and cash equivalents at beginning of year	<u>155,857</u>	<u>74,791</u>
Cash and cash equivalents at end of year	<u>\$ 169,143</u>	<u>\$ 155,857</u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ (8,978)	\$ 15,246
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,125	5,176
Endowment funds received	(2,000)	(3,500)
Unrealized loss on investments	33,161	47,005
Decrease (increase) in grants and contracts receivable	(15,864)	23,715
Decrease (increase) in prepaid expenses	910	(910)
Decrease (increase) in other assets	(300)	300
Increase (decrease) in accounts payable	8,695	(649)
Increase in accrued expenses	1,957	3,518
Increase in deferred grant revenue	<u>-</u>	<u>9,354</u>
Net cash provided by operating activities	<u>\$ 24,706</u>	<u>\$ 99,255</u>

See notes to financial statements.



UTAH PARENT CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

Utah Parent Center, Inc, (the Organization) is a nonprofit organization providing education and training to parents of children with disabilities and special needs throughout the State of Utah.

Financial Statement Presentation

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The Organization reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted - accounts for unrestricted assets (net of related liabilities) available for support of the organization's operations. Assets designated by the Board of Directors for a specific purpose also are accounted for in this fund.

Temporarily Restricted - accounts for resources currently available for use, but expendable only for purposes specified by the donor.

Permanently Restricted - accounts for gifts requiring in perpetuity that the principal be invested and the income only be used.

Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents are defined as cash on hand and highly liquid investments with original maturities of three months or less.

Investments

Investments consist of equity securities. Investments are recorded at their market value. Realized and unrealized gain or loss is reflected in the statement of activities and changes in net assets.

Property and Equipment

Property and equipment are recorded at acquisition cost or, where donated, at estimated market value at the date of the donation. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets, which is five years. Expenditures for repairs and maintenance are charged to expense as incurred.

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### Donated Services, Materials and Facilities

Volunteers contribute services, materials and facilities toward the fulfillment of the Organization's programs. To the extent these contributions satisfy the accounting criteria for recognition they are recognized as contributions and expenses in the statement of activities and change in net assets or are capitalized in the statement of financial position. The donated amounts recognized are recorded at their estimated fair market value.

For the years ended July 31, 2009 and 2008, the Organization recorded \$34,564 and \$30,674 for donated office rent and utilities. No amounts have been reflected in the financial statements for donated volunteer services, which do not satisfy the accounting criteria for recognition; however, a substantial number of volunteers donate significant amounts of time to the Organization's programs.

### Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The Organization holds investments that are measured at fair value on an annual basis. Generally accepted accounting principles establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The Organization's investments totaling \$2,529 and \$3,477 and endowment funds totaling \$181,995 and \$207,643 at July 31, 2009 and 2008 are all valued using the highest level of observable inputs, Level 1. Level 1 inputs are valued using the valuation methodology of quoted prices (unadjusted) for an identical asset or liability in an active market. The Organization does not have any other assets or liabilities that are required to be valued on a recurring basis at fair value.



### Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Utah Parent Center, Inc. believes it does not have and has not recorded a liability for any uncertain tax positions.

### Reclassifications

Certain reclassifications have been made to the July 31, 2008 amounts to be consistent with the classifications used at July 31, 2009.

### Subsequent Events

Management has made an evaluation of subsequent events through November 13, 2009, the date on which the financial statements were available to be issued. Management has not identified any subsequent events requiring disclosure.

## NOTE 2 - CONCENTRATIONS:

### Investments

The Organization's investments are subject to market and credit risk. Significant changes in the market for these investments could detrimentally impact the Organization.

### Support

The Organization's revenues and receivables result primarily from contracts with government agencies. The current level of the Organization's operations and programs may be severely impacted if the level of support from government contracts is reduced.

## NOTE 3 - INVESTMENTS

Investments are stated at fair value and consist of the following:

	<u>Year ended July 31,</u>	
	<u>2009</u>	<u>2008</u>
<u>Common Stock</u>		
Cost	\$ 5,038	\$ 5,038
Unrealized depreciation	<u>(2,509)</u>	<u>(1,561)</u>
Fair value	<u>\$ 2,529</u>	<u>\$ 3,477</u>



#### NOTE 4 - ENDOWMENT FUNDS:

Endowment funds, consisting of an investment in a mutual fund and also cash, are carried at fair value, and realized and unrealized gains and losses on investments are reflected in the statement of activities and change in net assets. The Organization's policy is to invest its endowment funds in a diverse, broad mutual fund. Endowment investment activity is reflected in the following table:

	<u>Cash</u>	<u>Mutual Funds</u>	<u>Total</u>
Endowment funds, July 31, 2008	\$21,689	\$185,954	\$207,643
Contributions	2,000	-	2,000
Investment returns			
Dividends and interest	4,565	-	4,565
Net realized and unrealized gains and losses	<u>-</u>	<u>(32,213)</u>	<u>(32,213)</u>
Endowment funds, July 31, 2009	28,254	153,741	181,995
Allocation to temporarily restricted net assets			<u>1,640</u>
Permanently restricted net assets at July 31, 2009			<u>\$180,355</u>

The board of directors has interpreted state law to not require the preservation of the purchasing power (real value) of the permanent endowment funds unless explicit donor stipulations specify otherwise.

#### NOTE 5 - GRANTS AND CONTRACTS RECEIVABLE:

Grants and contracts receivable totaling \$46,663 and \$30,799 at July 31, 2009 and 2008, represent amounts due from certain government or contracted entities for reimbursements of various approved expenses incurred in connection with grants and contracts.

#### NOTE 6 - FURNITURE AND EQUIPMENT:

Furniture and equipment consists of the following:

	<u>July 31,</u>	
	<u>2009</u>	<u>2008</u>
Furniture and equipment	\$ 47,123	\$ 41,096
Accumulated depreciation	<u>(33,422)</u>	<u>(27,125)</u>
	<u>\$ 13,701</u>	<u>\$ 13,971</u>



NOTE 7 - NOTE PAYABLE:

The Organization has a line of credit with a bank which provides for borrowings up to \$50,000 with interest at prime plus 2.25%. There was no outstanding balance at July 31, 2009 and 2008.

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consist of the following:

	July 31,	
	2009	2008
Autism related community support - endowment appreciation	\$1,640	\$29,288
Family to Family Network	1,072	-
Family Links Conference	6,749	5,824
	<u>\$9,461</u>	<u>\$35,112</u>

The amount of temporarily restricted net assets for autism related community support available for spending in a fiscal year is limited by the Organization's approved spending policy.

NOTE 9 - PERMANENTLY RESTRICTED NET ASSETS:

Permanently restricted net assets of \$180,355 and \$178,355 at July 31, 2009 and 2008, respectively, represents funds to be held in perpetuity. Permanently restricted net assets represent primarily an amount received from the Autism Society of Utah in 2003. Amounts of \$2,000 and \$3,500 were received from other donors during the years ended July 31, 2009 and 2008 under the same conditions as those required by the Autism Society of Utah. Permanently restricted net assets are restricted as follows:

- The principal is to remain in perpetuity.
- The income generated by the endowment shall be used for providing autism related community support.



NOTE 10 - OPERATING LEASES:

The Organization leases office space and office equipment under non-cancelable operating leases expiring during the year ending July 31, 2012. The Organization may be released from its office lease commitment should the Organization's government funding decrease.

Minimum future lease payments under these non-cancellable operating leases are as follows:

<u>Year ending July 31,</u>	
2010	28,800
2011	28,800
2012	<u>9,075</u>
	<u>\$66,675</u>

Rent expense was \$43,179 and \$39,635 for the years ended July 31, 2009 and 2008. Rent expense includes donated office space of \$23,064 and \$19,174 in 2009 and 2008, respectively.



## ADDITIONAL INFORMATION



UTAH PARENT CENTER, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JULY 31, 2009

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Disbursements/ Expenditures</u>
<u>United States Department of Education</u>			
Special Education & Rehabilitative Services/Parent Training & Information (1)	84.328	H328M020032-05 H328M070035-01	\$ 29,403 <u>209,126</u> 238,529
Administered by the PEAK Center:			
Special Education & Rehabilitative Services/Parent Information Centers (ICAP) (1)	84.328		662
Administered by Granite School District:			
Special Education & Rehabilitative Services/Grants to States	84.027	PO 910067 PO 910510	45,103 <u>3,388</u> 48,491
Administered by Davis School District:			
Special Education & Rehabilitative Services/Grants to States	84.027	A09-001 A09-001	44,410 <u>3,106</u> 47,516
Administered by Salt Lake School District:			
Special Education & Rehabilitative Services/Grants to States	84.027	PO B900657 PO B900657	34,811 <u>2,412</u> 37,223
Administered by the Utah State Office of Education:			
Special Education & Rehabilitative Services/Grants to States (USOE)	84.027	096052 096052	74,104 <u>4,358</u> 78,462
Administered by the Utah State Office of Education:			
Special Education & Rehabilitative Services/Grants to States (UPIPS)	84.027	096052 096052	14,817 <u>182</u> 14,999

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UTAH PARENT CENTER, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JULY 31, 2009

(continued)

Administered by the Provo School District:

Special Education & Rehabilitative  
Services/State Personnel Development  
(SPDG)

84.323

H323A990019A

29,689

United States Department of Health  
and Human Services

Administered by the State of Utah  
Department of Human Services:  
Centers for Medicare and Medicaid  
Services/Medical Assistance Program  
(F to FN - DSPD)

93.778

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38,090

Health Resources and Services  
Administration/Maternal and Child  
Health Federal Consolidated Programs  
(Utah Family Voices)

93.110

H84MC07996

120,068

Total

\$653,729

(1) Major program

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UTAH PARENT CENTER, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JULY 31, 2009

NOTE A - GENERAL:

The schedule of expenditures of federal awards presents the activity of all federal award programs of Utah Parent Center, Inc (the Organization). The Organization reporting entity is defined in Note 1 to the Organization financial statements. All federal financial awards received directly from federal agencies as well as federal financial awards passed through from other government agencies are included on the schedule.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting and accordingly reflects all significant payables and other liabilities. A summary of Significant Accounting Policies used in the preparation of the financial statements is on pages 7 through 9.

NOTE C - SUB-RECIPIENTS:

The Organization did not provide federal awards to any sub-recipients.



# ► Lake, Hill & Myers

A PROFESSIONAL CORPORATION  
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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

November 13, 2009

To the Board of Directors and Management of  
Utah Parent Center, Inc.

We have audited the financial statements of Utah Parent Center, Inc. as of and for the year ended July 31, 2009, and have issued our report thereon dated November 13, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Utah Parent Center, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financials statements, but not for the purpose of expressing an opinion on the effectiveness of the Utah Parent Center, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Utah Parent Center, Inc.'s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financials statements will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material



weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

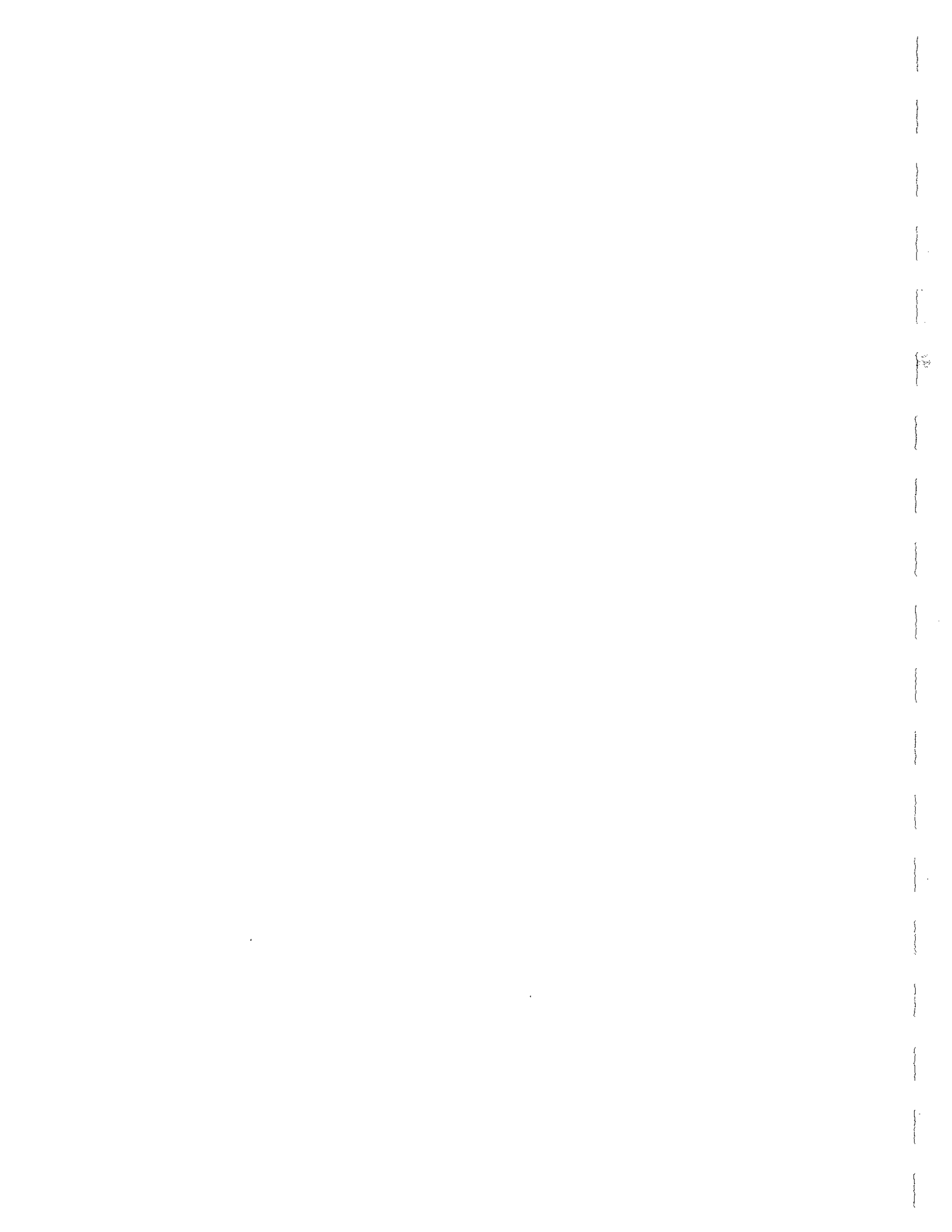
#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Utah Parent Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of Utah Parent Center, Inc. in a separate letter dated November 13, 2009.

This report is intended solely for the information of the board of directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lake, Hill + Myers



## ► Lake, Hill & Myers

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### REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

November 13, 2009

To the Board of Directors and Management of  
Utah Parent Center, Inc.

#### Compliance

We have audited the compliance of Utah Parent Center, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended July 31, 2009. Utah Parent Center, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Utah Parent Center, Inc.'s management. Our responsibility is to express an opinion on Utah Parent Center, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Utah Parent Center, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Utah Parent Center, Inc.'s compliance with those requirements.

In our opinion, Utah Parent Center, Inc. complied, in all material respects, with the requirements referred to above that are applicable its major federal programs for the year ended July 31, 2009.



### Internal Control Over Compliance

The management of Utah Parent Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Utah Parent Center, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purposes of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the Utah Parent Center, Inc.'s internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the board of directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Lake, Hill & Myers*



UTAH PARENT CENTER, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JULY 31, 2009

Summary of Auditors' Results

- i. The auditor's report expresses an unqualified opinion on the financial statements of the Organization.
- ii. There are no significant deficiencies or material weaknesses in internal control over the financial statements disclosed as a result of the audit of the financial statements.
- iii. No instances of noncompliance material to the financial statements were disclosed during the audit.
- iv. There are no significant deficiencies or material weaknesses in internal control over major programs disclosed as a result of the audit of the financial statements.
- v. The auditor's report on compliance for the major federal award programs expresses an unqualified opinion on all major federal programs.
- vi. The auditor identified no findings reported under the caption of Audit Findings.
- vii. Major programs consisted of:

	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>United States Department of Education</u>		
Special Education & Rehabilitative Services/Parent Training & Information	84.328	\$239,191

- viii. The dollar threshold to distinguish Type A and Type B programs was \$300,000. Programs were selected to meet the percentage coverage rule of OMB Circular A-133 § \_\_\_\_\_.520(f).
- ix. The Organization qualifies as a low risk auditee under paragraph .530 of OMB Circular A-133.

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UTAH PARENT CENTER, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JULY 31, 2009

(continued)

Ref

Finding

There are no audit findings resulting from the audit



UTAH PARENT CENTER, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JULY 31, 2009

<u>Ref</u>	<u>Finding</u>
08-1	<u>General Ledger Reconciliation</u>  <u>Condition</u>  This finding was a significant deficiency stating that certain balance sheet account reconciliations were not properly performed at year end.  <u>Recommendation</u>  We recommended that the Organization reconcile all balance sheet accounts at year-end. A year-end reconciliation will help ensure that all amounts are properly and timely recorded.  <u>Current Status</u>  The recommendation was implemented.



UTAH PARENT CENTER, INC.  
CORRECTIVE ACTION PLAN  
YEAR ENDED JULY 31, 2009

Ref

Corrective Action

There are no current year audit findings and therefore, no corrective action plan comments.

